(b) if so, whether Government have issued guidelines to insurance companies in view of aforesaid complaints;

(c) if so, the steps Government have taken against these companies; and

(d) whether Government have constituted any Committee to monitor these companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government as well as the Insurance Regulatory and Development Authority (IRDA) have been receiving complaints against the insurers, including private insurers, relating to non-settlement or delay in settlement of claims, repudiation of claim/partial settlement of claims etc.

(b) and (c) IRDA which was established to protect the interest of the policy holders, have notified the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations, 2001. These regulations stipulate the duties and obligations of the insurers and policy holders in respect of an insurance contract, both at the point of sale and in the event of a claim, and setting up of in-house grievance redressal mechanism in the insurance companies. In addition to this, for grievances relating to the settlement of claims, the consumers could approach the existing institutions like Insurance Ombudsman, IRDA Grievance Cell, Consumers Fora or the Courts.

(d) No, Sir

Measures to check stagnation in FDI inflow

4203. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether according to a recent analysis the FDI into India during the last few years was stagnating;

(b) whether the basic malaise behind this reported stagnation is a plethora of taxes both by Central and State Governments, varying import duty rates and higher interest on loans, and

(c) whether the Foreign Investment Promotion Board and Foreign Investment Implementation Authority are presently working at cross purposes as also there is multiplicity of bodies for approvals of investment proposals and if so whether Government would merge all these into a single body?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) After remaining subdued during 2002-03 and 2003-04, Foreign Direct Investment (FDI) has shown clear signs of pick-up backed by policy support and optimism about the investment opportunities being offered in several sectors. FDI inflow during the year 2004-05 (April 2004 to January, 2005) stood at US$ 4,233 million as against US $ 3,341 million during the corresponding period of the previous year.

(c) Foreign Investment Promotion Board (FIPB) considers Foreign Direct Investment (FDI) proposals requiring Government approvals. Foreign Investment Implementation Authority (FIIA) facilitate quick implmentation of FDI approvals already accorded. As such their roles are complementary.

Complaints against Central Excise Department

4204. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether there have been complaints of the Central Excise Department resorting to arm-twisting methods to meet excise collection targets;

(b) whether the excise authorities have sidelined the system of personal ledger account and are insisting on payment of whole excise duty upfront and treat the Modvat as credit for the future; and

(c) if so, steps being taken to end this anomaly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No arm-twisting methods were adopted for boosting the Central Excise revenue collections.

(b) and (c) The duty liability of a unit can be discharged either by payment through account-current (PLA) or through CENVAT credit account. As per the figures available upto February in the financial year 2004-05, the payments made through CENVAT Credit account have risen by 15.5% as against the growth in payments made from PLA of 6.7% (provisional) *vis-a-vis* the same period of previous year.

Opinion of ICAI on VAT

4205. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that ICAI has opined that VAT collected from customers should not be shown as sales;